REVIEW

LOGISTICS MARKET

FRANCE Q3 2025

Grade A&B platforms

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RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

Q3 2025 LOGISTICS FRANCE

The political, geopolitical and economic instability continues

KEY FIGURES

+1.0%
2025 INFLATION (forecasts BNP PARIBAS)

+0.5%
HOUSEHOLD CONSUMPTION 2025 (forecasts BNP PARIBAS)

87 -5 points over one year (100 in average [1987-2024])
HOUSEHOLD CONFIDENCE INDEX – Q3 2025

+0.2%
TERTIARY ACTIVIES RENT INDEX 2025 (forecasts BNP PARIBAS)

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ECONOMIC BACKDROP IN FRANCE

France is beset by political instability, with successive changes of prime minister and six governments in eight years.

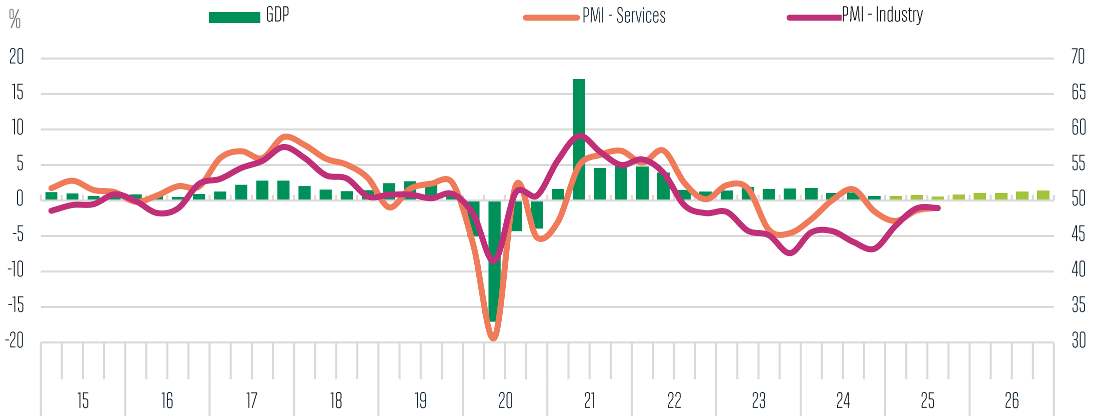
This uncertainty is having an impact on fiscal credibility as Fitch has downgraded the sovereign rating from AA- to A+, and it could be followed by other rating agencies in the coming weeks.

It has also dealt a blow to household confidence, which has fallen by 5 points over the past year, just as it was beginning to recover thanks to easing inflation. This loss of confidence is naturally reflected in lower consumption and a higher savings rate, which is now well above pre-Covid levels.

GDP growth remains subdued against this backdrop (+0.7% in 2025), lacking momentum despite lower inflation (+1.0% on average over the year), largely thanks to the fall in energy prices.

Although the Purchasing Managers' indices improved slightly in Q2, they remain below average (50), and both stood at 49 in Q3.

GDP growth in France



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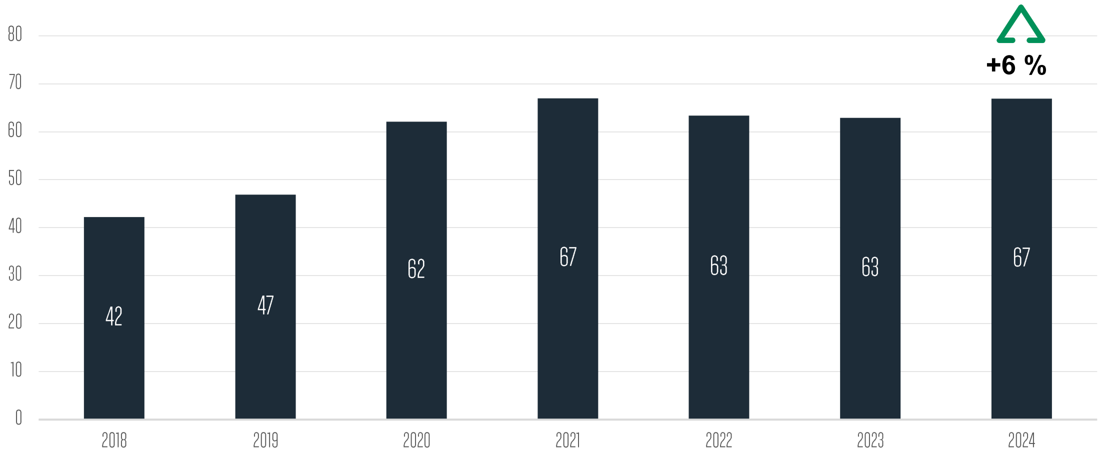
E-commerce products sales growth (in € billions)



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E-COMMERCE

Online sales of goods fell by 7% in 2022 and 1.8% in 2023, but then picked up by 6% in 2024 on the back of lower inflation. This growth continued in H1 2025 (+4% vs H1 2024). To recap, e-commerce (goods) has risen by over 50% over the past six years.

France's market share of around 10% for retail is still just half or even a third of some European and Asian countries. This suggests opportunities for growth in logistics, particularly cross-docking and XXL platforms, as e-commerce grows.

Q3 2025 LOGISTICS FRANCE

Take-up continues to fall

KEY FIGURES

2,070,000 sqm -16% vs Q3 2024
TAKE UP

90%
SHARE OF GRADE A PLATFORMS

33%
SHARE OF XXL PLATFORMS

30% -19 points vs Q3 2024
SHARE OF RENTAL TURNKEY AND OWNER OCCUPIER DEALS

Grade A&B platforms

TAKE UP IN FRANCE

Tak-up is still in decline and is -28% short of its 5-year average.

Over 12 rolling months, take-up has fallen from a historical peak of over 5 million sqm (Q1 2022) to around 2.9 million sqm today, a fall of -44%.

Political and geopolitical tensions (changes of government, international conflicts) coupled with economic and regulatory instability (customs duties, corporate taxation, the ZAN law, abolition of ZFEs, etc.) are creating a climate of hesitation, leading many players to postpone their logistics transformation projects.

At the same time, several sectors that have historically required large amounts of storage space (clothing, furniture, decoration, construction, etc.) are experiencing a spate of bankruptcies due to eroding margins, resulting in a large amount of space being released.

Yet other industries are still thriving: agri-food, defence, aerospace, energy, cosmetics, luxury goods and mass retail.

Logistics providers, which have represented an average of 48% of take-up over the last five years, now account for only 35%. The slowdown in tenders from shippers and the growing vacancy rate within their logistics stocks are prompting providers to streamline the use of their existing capacity rather than develop new projects.

Turnkey and owner/occupier deals have long been the drivers of the market, but these have fallen dramatically (-47% vs the 5-year average). There are many factors behind this trend:

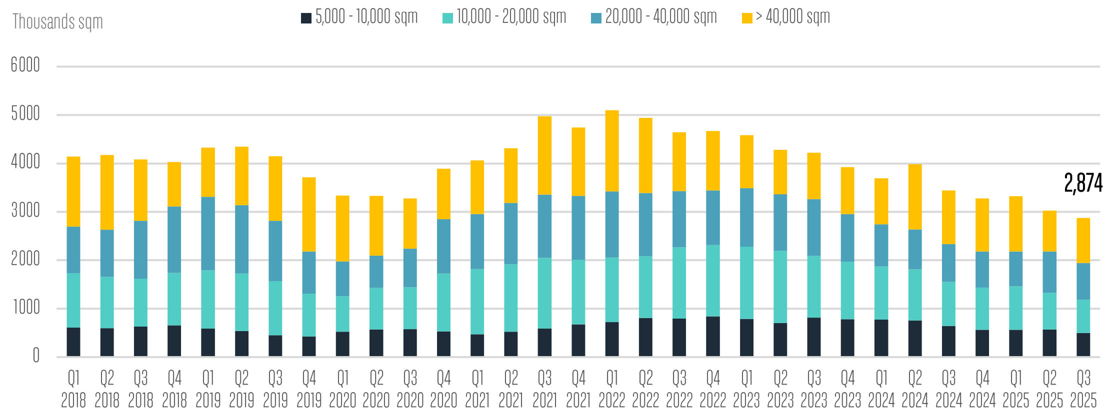
- Yield expansion has directly affected rents for turnkey schemes;
- Mass retailers, who have accounted for 25% of turnkey and owner/occupier schemes over the past decade, have largely finished adjusting their logistics blueprints;
- Lastly, logistics providers and hauliers, who account for around 30% of these projects, are now focusing on optimising their sites or renting smaller, multi-client platforms, which offer them greater flexibility and diversify their risk.

While new grade A platforms maintained a similar level of take-up to last year (595,000 sqm / 29% of take-up), second-hand Grade A logistics space (660,000 sqm / 32% of total volume) continued the upswing seen in the last quarter (+48% vs Q3 2024). This trend confirms that their intrinsic qualities remain attractive, even if some buildings no longer fully meet the CSR criteria of certain users.

The average transaction size is around 17,000 sqm, in line with the five-year average. Four out of five deals are historically less than 20,000 sqm, but these have fallen sharply (-37% compared with the five-year average). Units > 40,000 sqm have also fallen by around 20%.

Only the 20,000 sqm – 40,000 sqm has risen slightly (+3 % vs Q3 2024).

Take up (over a rolling 12-month period)



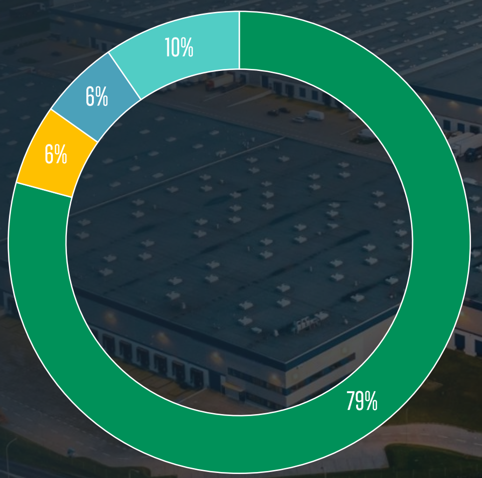
Top 5 transactions

#	CITIES	TENANT	AREA
1	ILLIERS COMBRAY	AMAZON	120,000 sqm
2	ONNAING	ACTION	80,000 sqm
3	NANGIS	FM FRANCE	75,000 sqm
4	TOURNAN EN BRIE	JD.COM	65,000 sqm
5	FERRIERES	UNILEVER FRANCE	60,000 sqm

Q3 2025 LOGISTICS FRANCE

1,640,000 sqm
North-South axis

116,000 sqm
Atlantic arc



Grade A&B platforms

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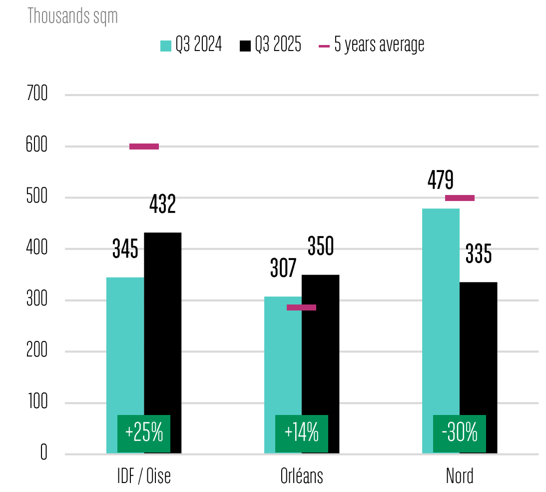
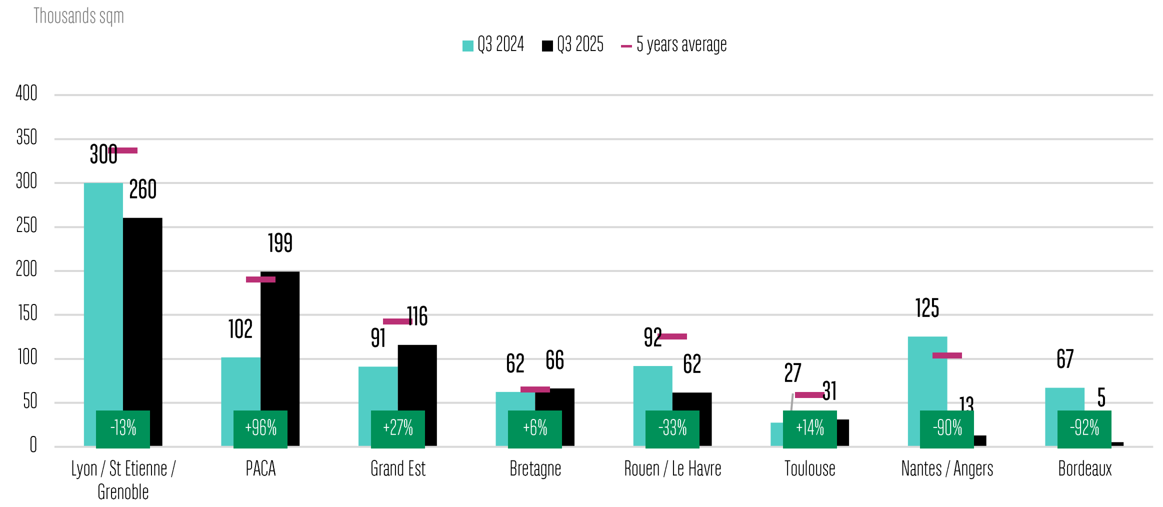
TAKE UP BY LOGISTICS MARKETS

TAKE UP OF MAIN LOGISTICS MARKETS





Although take-up in Île-de-France has been much slower than usual (30% lower than the 5-year average of 600,000 sqm), it has maintained the positive momentum that began at the beginning of the year (+25% vs Q3 2024). The region has regained its pole position in France, attracting 21% of take-up.

Orléans performed outstandingly, with take-up +14% higher than in Q3 2024, which was itself an exceptional figure. This was largely thanks to several large-scale deals (5 transactions for 310,000 sqm). It has become the second biggest market in France (17% of overall take-up).

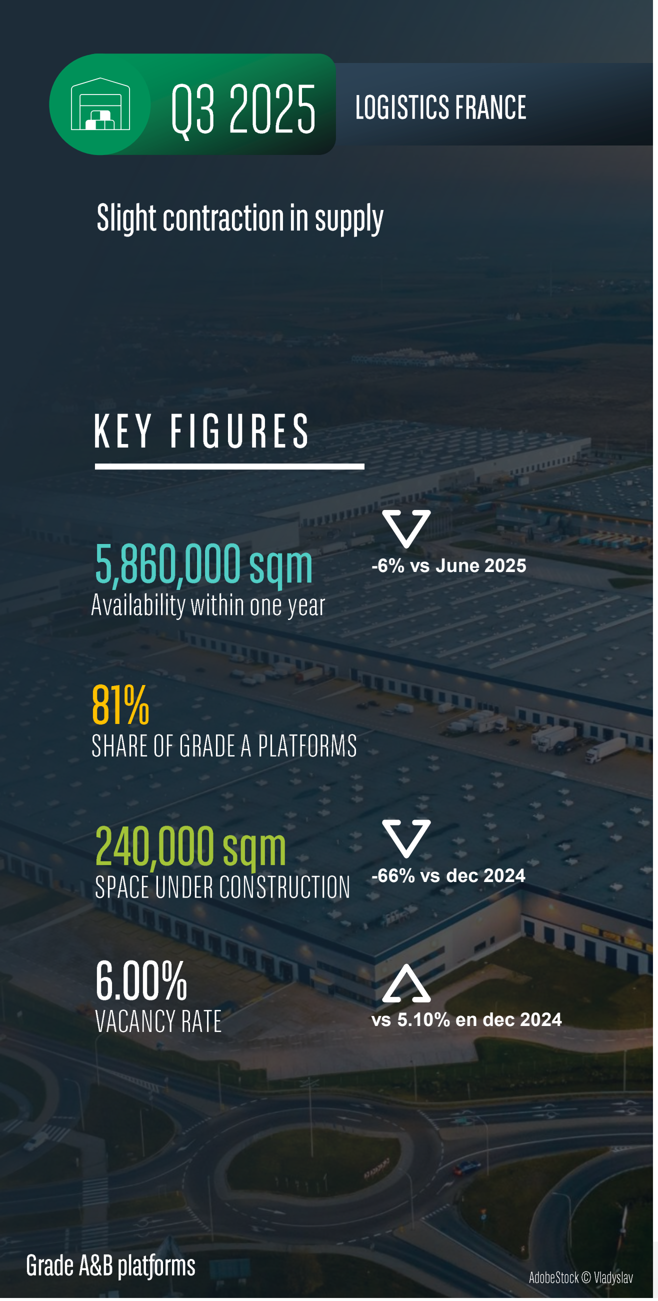
With just 335,000 sqm transacted, the Hauts-de-France market has shrunk by more than 30% compared with both Q3 2024 and its five-year average. There has been only one XXL transaction so far in 2025 (Action in Onnaing for nearly 100,000 sqm) compared to an average of three over the last five years. Nevertheless, supply in the region has fallen (-14% vs December 2024).

Take-up in the PACA region was once again a shade above its 5-year average (+5%). Supply in the area has been historically low but has increased (+27% vs. end-2024), which should help to maintain this momentum.

It is the same story for Auvergne-Rhône-Alpes, where the traditionally low level of stock has almost tripled over the last two years (and +65% vs. end-2024). Despite this, take-up has fallen slightly (-13% vs Q3 2024).

Take-up on the Atlantic Arc was just 115,000 sqm with no deals in Q3. The figure is 59% lower than the year-earlier period, its lowest level in five years.

Lastly, take-up in Grand Est was +27% higher than in Q3 2024, but 19% below its 5-year average.



Q3 2025 LOGISTICS FRANCE

Slight contraction in supply

KEY FIGURES

5,860,000 sqm
Availability within one year
-6% vs June 2025

81%
SHARE OF GRADE A PLATFORMS

240,000 sqm
SPACE UNDER CONSTRUCTION
-66% vs dec 2024

6.00%
VACANCY RATE
vs 5.10% en dec 2024

Grade A&B platforms

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AVAILABILITY WITHIN ONE YEAR

Although availability within a year of Grade A and B warehouses remains high (+71% vs. December 2023), it has contracted for the first time in nearly two years. The stock of second-hand units, which had risen sharply over the past eighteen months, is beginning to decline, largely thanks to robust take-up (+46% vs Q3 2024).

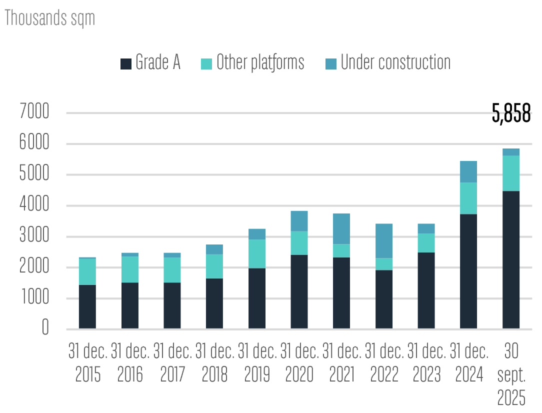
Indeed, second-hand supply has fallen by nearly 10% compared to the last quarter. These assets have respectable technical credentials and are sometimes in better locations, with rents equivalent or even lower than new platforms.

However, it will be worth keeping a close eye on the take-up of these platforms, some of which could see their appeal diminish as ESG criteria become increasingly important to certain occupiers.

Conversely, the availability of new Grade A units has risen sharply (+43%) following the completion of several schemes and a slight decline in take-up.

Despite a resurgence last year as borrowing conditions eased, speculative building starts have contracted sharply (-66 % vs Q3 2024). Even though the environment is more favourable, investors are wary and highly selective about speculative projects.

Availability within one year



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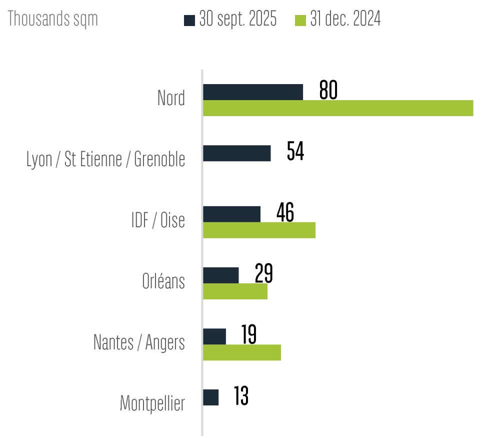
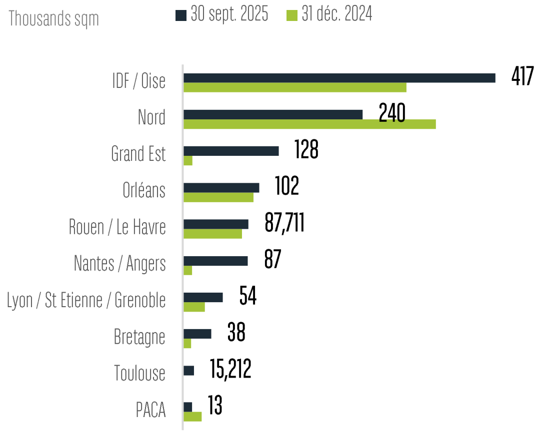
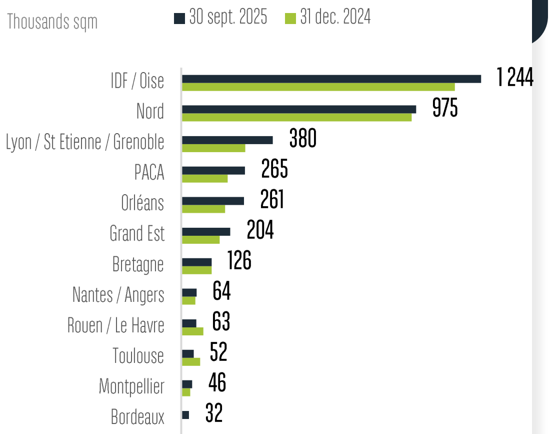
Space under construction



New supply



Second hand supply



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Q3 2025 LOGISTICS FRANCE

VACANCY RATE

LOGISTICS MARKET	VACANCY RATE	VS Q1 2024
HAUTS-DE-FRANCE	10.4 %	-1 point
BRETAGNE	8.7 %	+4.8 points
GRAND EST	6.8 %	+1.4 point
ILE-DE-FRANCE	6.5 %	-0.6 point
ORLEANS	6.5 %	+1 point
NANTES	5.6 %	+2.2 points
ROUEN / LE HAVRE	5.4 %	-0.1 point
PACA	4.2 %	-0.3 point
LYON	3.5%	-1 point
TOULOUSE	2.9 %	+0.3 point
BORDEAUX	1.0 %	+1 point

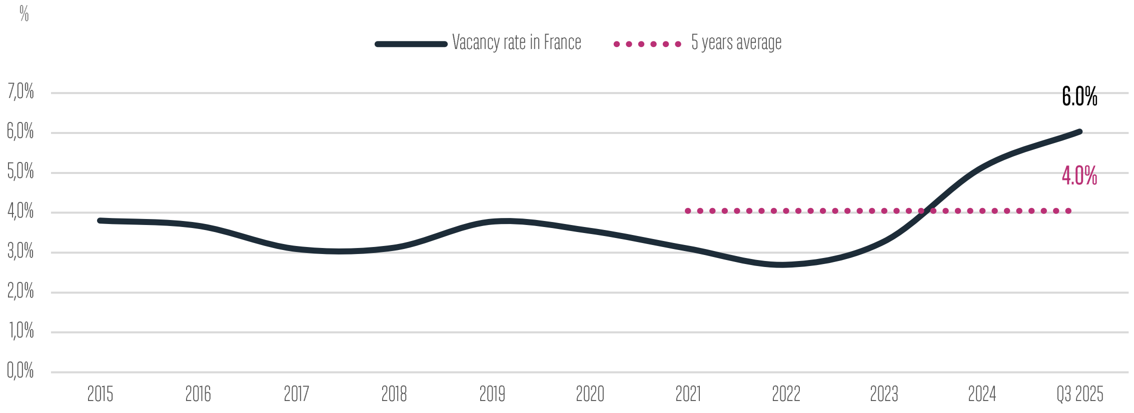
Grade A&B platforms

VACANCY RATE

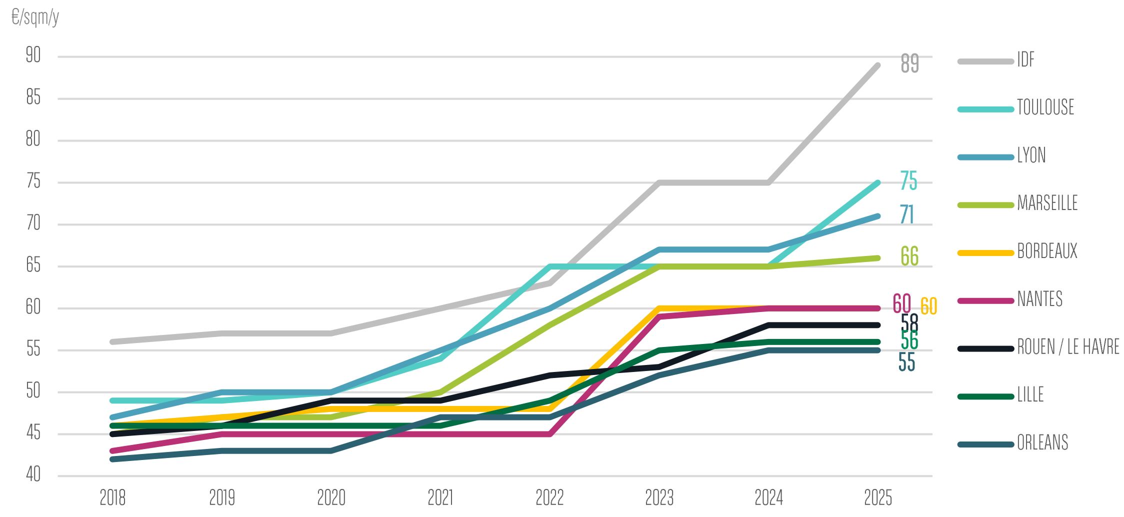
Due to the slight contraction in supply, the vacancy rate[1] for immediate availability has edged down to 6.0 % (vs. 6.1% in Q2 2025). This is the first time in 10 years that it has risen above 6% and stayed there.

Nevertheless, there are stark differences between regions. Vacancy rates are rising on the Atlantic Coast, where take-up is falling. Conversely, vacancy rates along the North-South axis are contracting, except for Orléans, despite its strong take-up.

National vacancy rate



MAIN LOGISTICS MARKETS PRIME RENTS



PRIME RENTS

After rising sharply over the past four years, prime rents continue to stabilise. The main reasons for existing platforms are the fall in take-up combined with rising supply. Tighter control of construction costs and cheaper credit are behind the stabilisation of warehousing currently being developed.

Prime rents have only risen in Lyon, to € 71/sqm (vs € 67/sqm in Q2 2025), and PACA, to € 66/sqm (vs € 65/sqm in Q2 2025).

Interestingly, and unlike other asset categories, incentives remain limited. Nevertheless, they are increasingly sensitive to vacancy rates in given regions.

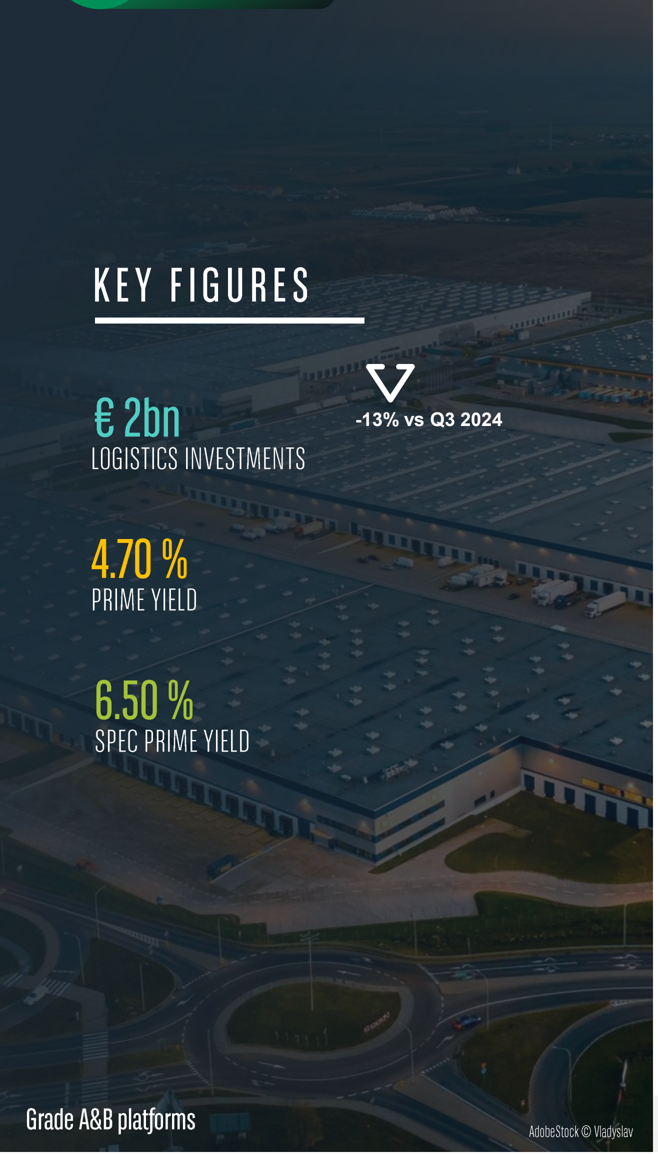
[1] *Vacancy rate of Grade A&B premises, calculated based on immediately available supply (excluding projects under construction and future releases).*

KEY FIGURES

€ 2bn
LOGISTICS INVESTMENTS
-13% vs Q3 2024

4.70 %
PRIME YIELD

6.50 %
SPEC PRIME YIELD


Grade A&B platforms

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CAPITAL MARKET

At just over €2 billion, investment in logistics has fallen compared to Q3 2024 (-13%) and accounts for 19% of total investment in commercial real estate.

This fall is partly due to the lack of large-scale transactions in Q3. Yet there were a couple of highlights, such as the acquisition of the Warenet portfolio for about € 90m by M7 Real Estate and the sale of a 56,000 sqm platform in Courthezon to P3 Logistics for just over € 55m.

2025 is seeing the return of French Core and Core+ players, currently acquiring prime assets located in established logistics zones with long leases.

Similarly, North American players, who were slightly less involved in Q3 (investing € 160m) also focused mainly on Core/Core+ deals, favouring platforms with lower rental risk.

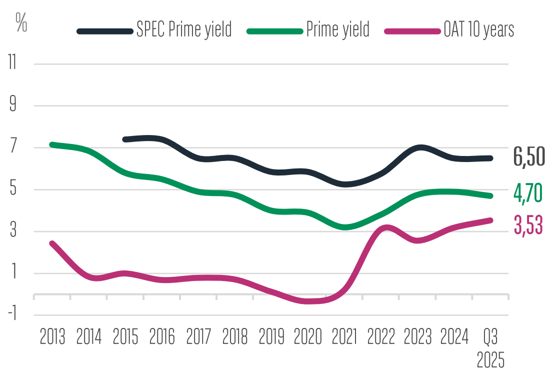
That said, some opportunistic operators, mainly North American, continue to take advantage of market opportunities with a dual objective: to capitalise on the general rise in rents and to get ahead of a fall in vacancy rates.

New SCPIs are finding it harder to acquire properties in France due to lower yields and are increasingly looking elsewhere in Europe. They accounted for just 6% of investment.

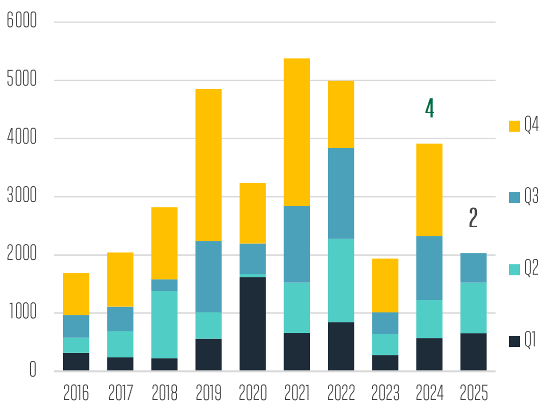
Despite strong take-up of new Grade A platforms, very few speculative schemes were launched in 2025 (8 developments totalling 185,000 sqm in Q3 2025, compared with 21 in 2024).

After narrowing slightly in Q2, the prime yield has stabilised at 4.70%. The geopolitical and economic climate does not suggest that yields are likely to contract in the near term.

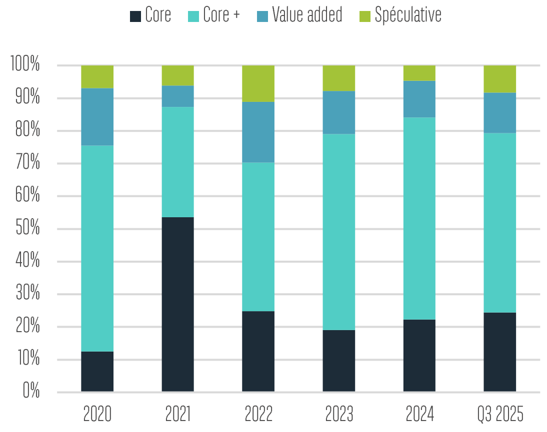
Prime yield and french bonds



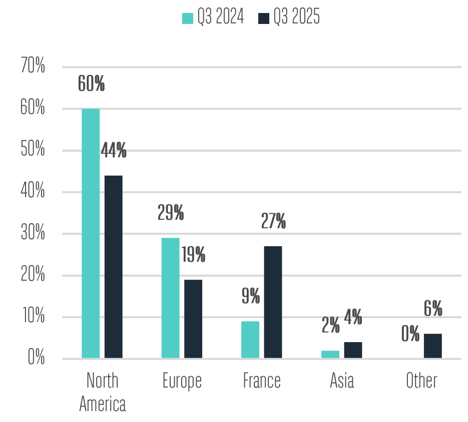
Logistics investments in France



Investors' strategy



Investors' nationality



LOCATIONS (September 2025)

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